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TO: Medina D. Noor, Esq., Special Projects Counsel-Mayor's Office
Department of Administrative Hearings

FROM: Irvin Corley, Jr., Fiscal Analysis Director 

DATE: April 27, 2007

RE: 2007-2008 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2007-2008 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Roger Short, Finance Department Director
Pamela Scales, Budget Department Director
Ervin Stewart, Budget Department Team Leader
Kandia Milton, Mayor's Office

Department of Administrative Hearings (45)

FY 2007-2008 Budget Analysis by the Fiscal Analysis Division

Summary

The Department of Administrative Hearings is a General Fund Agency that adjudicates blight violations such as violations of property maintenance, zoning, solid waste, and illegal dumping ordinances. The Mayor's Proposed Budget for 2007-2008 includes appropriations of \$2.2 million, which is a decrease of \$34,369 or 1.6% from fiscal year 2006-2007. The Mayor's Proposed Budget of 2007-2008 includes revenues of \$0.9 million, which is a decrease of \$228,874 or 20.5% from fiscal year 2006-2007. The department's net tax cost recommended for next year is \$1.3 million, \$194,505 more than the budgeted net tax cost for the current year.

2006-2007 Surplus/(Deficit)

The estimated net deficit for the Department of Administrative Hearings is \$435,000 for fiscal year 2006-2007. The deficit is composed of a revenue deficit of \$500,000, which is due to lower revenue collections, and an appropriation surplus of \$65,000, due to a reduction in Contractual services.

Overtime

The Mayor's Proposed Budget for fiscal year 2006-2007 does not include any provision for overtime expenses in the department. As of March 31, 2007, the Department did not expend any overtime. The Mayor recommends no overtime for fiscal year 2007-2008.

Personnel and Turnover Savings

There are no projected personnel or turnover savings for this department.

<u>Appropriation/Program</u>	<u>Budgeted Positions FY 2006-07</u>	<u>Filled Positions 3/31/2007</u>	<u>Mayor's Budget Positions FY 2007-08</u>	<u>Over/(Under) Actual to 06/07 Budget</u>	<u>Mayor's Recommended Turnover</u>
Department of Administrative Hearings (45):					
11159 Blight Violation Adjudication	<u>6</u>	<u>6</u>	<u>6</u>	<u>0</u>	<u>\$ -</u>
TOTAL	<u>6</u>	<u>6</u>	<u>6</u>	<u>0</u>	<u>\$ -</u>

Proposed Layoffs and Position Changes

The Mayor's Proposed Budget for 2007-2008 does not include a reduction in force for this department, nor does it include any layoffs.

Significant Funding by Appropriation

<u>Appro.</u>	<u>Program</u>	
11159	Blight Violation Adjudication	The Mayor's Proposed Budget for 2007-2008 includes \$2,199,607. This reflects a decrease of \$34,369 from the 2006-2007 Budget of \$2,233,976.

<u>Budgeted Professional and Contractual Services by Activity</u>	<u>FY 2006-07 Budget</u>	<u>FY 2007-08 Recommended</u>	<u>Increase (Decrease)</u>
Blight Violation Adjudication	<u>\$ 1,246,304</u>	<u>\$ 1,298,460</u>	<u>\$ 52,156</u>
Total	<u>\$ 1,246,304</u>	<u>\$ 1,298,460</u>	<u>\$ 52,156</u>

Significant Revenues by Appropriation and Source

<u>Appro.</u>	<u>Program</u>	
11159	Blight Violation Adjudication	This reflects a decrease of \$228,874 from the 2006-2007 Budget of \$1,115,941. This decrease is mainly due to the administrative portion that is allocated to the department for each fee collected. This department is fairly new, and the revenues were over-budgeted in fiscal years 2005-2006 and 2006-2007.

Issues and Questions

1. In the Mayor's Proposed Budget for 2007-2008, he states that billing and collections of three departments will be consolidated in Finance, resulting in a much better job of collecting what is owed the City. The Department of Administrative Hearings is one of the departments. If the Department of Administrative Hearings did these functions in the past, how much will be saved in appropriations by the move of these functions out of the department to Finance? Is the current billing and collecting for the DAH performed by a contractor? If so, what is the department currently paying for the contractor, what are the level of collections to date against the amount billed, and when does the contract expire?

2. In the Mayor's Proposed Budget for 2007-2008, \$1,298,460 is budgeted for Professional/Contractual Services. Is some of this amount budgeted for clerical positions to do the billing and/or collection functions?
3. Referring to question number one above, is there an estimate of any additional revenue that will be collected?
4. What percentage has been collected of all the determinations issued by your department where money was due?
5. Why is the amount of orders in delinquency at 50%? What does this mean (page 45-3)?
6. Through nine months of this fiscal year, your revenues are coming in under budget.
 - Administrative fees are actually \$76,000, compared to a budget of \$899,000 for the entire year. Next year's budget is \$678,000. Will this amount materialize?
 - Personal service is actually \$100,000, compared to a budget of \$200,000 for the entire year. Next year's budget is \$200,000. Will this amount materialize?
7. Are all of the no-show cases (50%) automatically determined to be due to the City immediately (page 45-3)?
8. Under your goals, the average number of days between the issuance of the violation and the hearing date is 55 days. How does this compare with the average number of days that existed when this function was handled at 36th District Court? Is 55 days reasonable?